

Letter from Chief Financial Officer and Corporate Guarantee

[Address to SW Manager for every DEQ Region in which facilities for which financial assurance is being guaranteed is located].

Required Text of letter:

I am the chief financial officer of [name and address of Guarantor]. This letter is in support of this firm's use of the financial test to demonstrate financial assurance for closure and/or post closure costs and corrective action costs if applicable as specified in OAR 340-095-0095(6)(f). The data used to meet the financial test have been derived from the independently audited year end financial statements for the most recently completed fiscal year.

[Wherever appropriate provide the required information regarding each permitted facility and its associated cost estimates. Identify each cost estimate and whether it is for closure and/or post closure according to plan permit requirements or selected action remedy described in a corrective action report. Attach and reference any corrective action reports.]

1. This firm, herein "Guarantor", is providing a corporate guarantee of financial assurance for closure, and post-closure care of the facilities described in Attachment A through the financial test specified in OAR 340-095-0095(6)(f), sections (A) or (B). The current closure and/or post closure plan permit requirements or selected remedy described by the corrective action report for each facility are also set out in Attachment A.
2. Attachment B sets out all other environmental obligations by facility, address and amount and by type guaranteed by this firm.
3. Guarantor is providing this guarantee because: [choose whichever of (i) through (v) is appropriate;] (i) The facilities are owned or operated by Guarantor as Permittee; (ii) Permittee is a corporate subsidiary of Guarantor; (iii) Permittee is corporate parent of Guarantor; (iiii) Permittee is corporate sibling of Guarantor; or (v) Guarantor and Permittee have a substantial ongoing business relationship [describe that relationship] and Guarantor is issuing the guarantee as an act incident to that relationship. Compensation to Guarantor for providing this guarantee is [provide compensation amount or description].
4. This letter constitutes the guarantee specified in OAR 340-095-0095(6)(f). By this letter the firm guarantees the completion of closure and/or post closure plan permit requirements or selected remedy described in the corrective action report for the facility(s) described herein. The current cost estimates for the closure and/or post closure plan permit requirements or selected remedy described in the corrective action report so guaranteed are shown for each facility. Guarantor meets the financial criteria set forth in the [Alternative] Financial Test.
5. This letter guarantees that within 30 days after either service of Final Order assessing a civil penalty from the Department for failure to adequately perform closure and/or post closure activities according to the closure and/or post closure

- plan and permit, or the selected remedy described in the corrective action report, as applicable, or service of written notice from the Department that the Guarantor no longer meets the criteria of the financial test, Guarantor will provide and fully fund an alternative financial assurance mechanism acceptable to the Department.
6. As Chief Financial Officer I possess the requisite authority to bind this firm to the guarantee being provided and acknowledge that this corporate guarantee is an ongoing, continuing and binding obligation of the firm. I will notify the Department of Environmental Quality within 15 calendar days anytime that the Guarantor no longer meets the criteria of the financial test or is named as debtor in a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code.
 7. By this letter this firm as Guarantor is demonstrating financial assurance for closure and/or post closure plan permit requirements or selected remedy described in the corrective action report for the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in OAR 340-095-0095(6)(f) (A) or (B). The closure and/or post closure plan permit requirements or selected remedy described in the corrective action report covered by such a test are shown for each facility.
 8. The fiscal year of the firm ends on [month, day]. Attached are (a) a copy of the independent CPA's report on examination of the Guarantor's financial statements for the latest completed fiscal year and (b) an agreed upon procedures letter prepared in accordance with standards established by the American Institute of Certified Public Accountants from Guarantor's independent CPA stating that the CPA has compared the data which this letter specifies as having been derived from the independently audited year end financial statements for the latest fiscal year with the amount in such financial statement and that such data correspond, or explaining to the satisfaction of the Department any deviation therein.

This firm [insert "is required" or "is not required"] to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

[If you are demonstrating the Financial Test complete items 1. through 10. below. If you are demonstrating the criteria for the Alternative Financial Test complete items 1. through 24. below. Specify which test you are using.]

Financial Test Criteria:

1. Cost estimates for closure and/or post closure plan permit requirements or selected remedy described in corrective action report for which this guarantee is provided (from Attachment A). \$_____
1. (a) Total of all environmental liabilities guaranteed by this firm and as specified in Attachments A and B. \$_____
2. Total liabilities \$_____
3. Tangible net worth \$_____
4. Current Assets \$_____
5. Current Liabilities \$_____
6. Net working capital [line 4 minus line 5] \$_____

7. Net income \$ _____
8. Sum of depreciation, depletion, and amortization \$ _____
9. Total Assets \$ _____
10. Total Assets in U.S. \$ _____

11. Retained Earnings \$ _____
12. Earnings before interest and taxes \$ _____
13. Interest Expense \$ _____
14. Net Sales \$ _____
15. Federal income tax credits (fuel tax, investment in regulated investment companies, etc.) \$ _____
16. Federal income tax \$ _____
17. Recurring book income not subject to income tax \$ _____
18. Internally generated cash (Line 8 plus line 12 plus line 15 plus line 17 minus line 13 minus line 16) \$ _____
19. Liquid Asset Ratio (Line 6 divided by line 9) _____
20. Earned Surplus Ratio (Line 11 divided by line 9) _____
21. Productivity (Line 12 divided by line 9) _____
22. Equity Ratio (Line 3 divided by line 2) _____
23. Efficiency (Line 14 divided by line 9) _____
24. Altman's Z (See attachment) _____

Financial Test

To meet the criteria of the financial test you must be able to answer "yes" to at least two of the three parts of "A" below and to all parts of "B", "C", and "D" below.

- A.i. Is line 2 divided by line 3 less than 1.5? (Yes) (No)
- A.ii. Is line 7 plus line 8, minus \$10 million, divided by line 2 greater than 0.1? (Yes) (No)
- A.iii. Is line 4 divided by line 5 greater than 1.5? (Yes) (No)

- B.i. Is line 6 divided by line 1.a. at least 4.0? (Yes) (No)
- B.ii. Is line 3 divided by line 1.a. at least 6.0? (Yes) (No)

- C. Is line 3 minus line 1.a. at least \$10 million? (Yes) (No)

- D. Is line 10 divided by line 1 at least 6.0? (Yes) (No)

Alternative Test

To meet the criteria of this alternative financial test you must be able to answer yes to part A and to two of the three parts of B.

- A. Is line 3 minus line 1.a. at least \$10 million? (Yes) (No)

- B.i. Is line 12 divided by line 13 at least 2.0? (Yes) (No)
- B.ii. Is line 18 divided by line 2 at least 0.2? (Yes) (No)
- B.iii. Is line 24 at least 2.9? (Yes) (No)

I hereby certify that all representations contained in this letter are, to the best of knowledge, true, complete and accurate. This letter constitutes a binding and continuing obligation of [Guarantor's name] and is enforceable in accordance with its terms.

[Signature of CFO]

[Name, Title]

[Date]

Chief Financial Officer's signature must be notarized.